

Assembly Joint Resolution

No. 54

Introduced by Assembly Member Pacheco

January 7, 2004

Assembly Joint Resolution No. 54—Relative to the federal medicaid assistance percentage.

LEGISLATIVE COUNSEL'S DIGEST

AJR 54, as introduced, Pacheco. The federal medicaid assistance percentage (FMAP).

This measure would memorialize the President and Congress of the United States to revise the formula used to calculate the federal medicaid assistance percentage (FMAP) to consider, in addition to a state's per capita income, the total number of persons living in poverty in that state.

Fiscal committee: no.

1 WHEREAS, The federal medicaid assistance percentage
2 (FMAP) is computed annually and used to calculate the amount of
3 the federal share of medicaid expenditures allocated to each state;
4 and
5 WHEREAS, We thank the President of the United States and the
6 United States Congress for the steps they took in assisting states
7 with a larger appropriation of funds to increase the FMAP; and
8 WHEREAS, The increase in the FMAP will help those states
9 that are still recovering from harsh economic times to provide
10 health access and coverage to their citizens; and
11 WHEREAS, We thank the federal government for this
12 assistance, however, we continue to urge the United States

1 Department of Health and Human Services to change the formula
2 used to compute the FMAP to include increases in the population
3 under the federal poverty threshold along with consideration of the
4 increases and decreases in state capita income; and

5 WHEREAS, As the state's per capita income rises, the state rate
6 for medicaid matching funds from the federal government
7 declines; and

8 WHEREAS, Despite the growth in per capita income in
9 California, Californians with lower incomes often fail to
10 experience the relative wage growth of those with higher income;
11 and

12 WHEREAS, Despite a per capita income level in California
13 above the national average, California has both high income levels
14 and poverty; and

15 WHEREAS, With 4.9 million people under the federal poverty
16 thresholds, California leads the Nation in the number of residents
17 in poverty, having 1.6 million more impoverished residents than
18 Texas and 2.2 million more than New York; and

19 WHEREAS, FMAP computations grew from the Kerr-Mills
20 Act, Social Security Amendments of 1960, predating the official
21 definition of the poverty thresholds adopted in the late 1960s; and

22 WHEREAS, The Kerr-Mills Act incorrectly presumed that
23 states with high per capita incomes would have low poverty and
24 vise versa; and

25 WHEREAS, California is already facing daunting budget cuts
26 due to the state's deficit, making it even more difficult for the state
27 to absorb and offset reductions in federal medicaid assistance
28 under the current FMAP formula; and

29 WHEREAS, The Medi-Cal program faces severe under funding
30 as a result of the failure in computing the FMAP to take into
31 account increases in the population that is under the federal
32 poverty threshold; and

33 WHEREAS, There is a critical need to protect the health of
34 millions of low-income families and individuals that depend on
35 state and federal health programs like medicaid and the State
36 Children's Health Insurance Program; now, therefore be it

37 *Resolved by the Assembly and Senate of the State of California,*
38 *jointly,* That the Legislature of the State of California conveys its
39 gratitude and memorializes the President and Congress of the
40 United States to revise the formula used to calculate the FMAP to



1 consider, in addition to a state's per capita income, the total number
2 of persons living in poverty in that state; and be it further
3 *Resolved*, That the Chief Clerk of the Assembly transmit copies
4 of this resolution to the President and Vice President of the United
5 States, to the Speaker of the House of Representatives, to each
6 Senator and Representative from California in the Congress of the
7 United States, and to the United States Secretary of Health and
8 Human Services.

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